

Digest of Leading Articles
in the Present number

On Agricultural Crisis.

By Professor Taichiro Kawanishi.

By way of introduction, a general statement is made about the principles of (1) inevitable nature of economic crisis (2) that of agricultural crisis and (3) the relation between the industrial and agricultural crises.

The writer proceeds to discuss in detail the agricultural crisis of international character during 1875-1900 and one subsequent to 1920. The works of Professor M. Sering, of Professor G. A. Studensky, and of Professor E. Varga are carefully studied and criticised. He goes into the explanation of the causes and geographical extent of, and branches of agriculture affected by, the crisis as well as their economic and social effects. He then gives a sketch of the crisis now working havoc in the agricultural community of Japan and concludes that ours lies in between what Professor Varga calls "the crisis due to over-production in capitalistic countries" and "the crisis due to under-production in infant industrial countries."

A Plan for the Reformation of the Monetary System of China.

By Professor Mitsutaro Araki.

As a matter of course a nation should have a solid system of national currency as a basis of her economic development. Unfortunately the Chinese Republic seems to have no system in this respect in the strict sense of the word, chaotic monetary condition still ruling throughout the country.

It is thus only natural that China, upon awakening to her nationalistic ambition, should have been thinking of the establishment of a solid currency system. Several devices therefore have been suggested by different economists and writers during the last quarter of a century, and heated discussions have been developed upon the Problem. But owing either to a wrong choice of theory for the situation or some defects in the method devised, none of these plans have yet been put into effect. The Project of Law for the Gradual Introduction of a Gold-standard Currency System in China, which was prepared by Prof. Kemmerer toward the end of 1929, upon the request of the Republic, is undoubtedly the best of the plans hitherto prepared. But even this will not be free from criticism.

On the theoretical side, the Kemmerer recommendation, to a silver nation, to adopt the Gold Exchange Standard is quite reasonable. But on the practical side, the reviewer is in doubt whether Prof. Kemmerer has given due consideration to the following points, which in the former's opinion deserve a very serious consideration: namely; 1st, unreliability of the income from seignorage as a source of Gold reserve, as suggested by Prof. Kemmerer; 2nd, the traditional habit

of the Chinese to accept money on its intrinsic value, (which means that some time will be needed before the people get used to a token money); and 3rd, the recent tendency for an unification of money in the Republic in silver " Gen." Thus it seems the plan prepared by Prof. Kemmerer will need some modification before its application to the practical use.

Terms of Trade in International Trade.

By Teichiro Miyagawa.

It is customary to express a country's imports or exports in terms of money. But the general level of prices in any country is liable to change in consequence of various economic and social causes, such as varying output of gold mines, fluctuation of credit, and changing conditions of monetary situation. Consequently the amount expressed in money does not exactly represent the volume of trade. It becomes necessary to find the volume itself independent of the money value.

A method worked out by Professor Bowley for this purpose is explained, and Professor Taussig's revised view in this respect is also considered and some further analysis added.

But the main purpose of this paper has rather been directed toward the practical solution of the problem respecting the international trade terms, by showing the result of the writer's investigation about the trade terms of Japan during the years from 1913 to 1924. The figures and diagrams attached thereto explain themselves what they mean. In computing import and export indices as the preliminary work of this investigation (as they have not been worked out satisfactorily by any writer in this field), difficulties naturally present

themselves in the collection and arrangement of material. The writer has managed, however, by using, for the most part, government reports and publications of the Bank of Japan, to compute import and export indices as nearly as practicable in his hand, expecting to revise them in the future by the use of further materials that may become available to him.

Most interesting results shown in the diagrams are courses of import and export synthetic prices and a general trend in the relation between the two. In the course of the investigation, the question has suggested itself as to the necessity of a qualification regarding the significance of these price relations in view of the dominant influence of certain articles (such as imported cotton). The solution of this problem was not however attempted for the present. These and others of a similar nature may be considered in the next paper of the writer.